State of Montana Oil & Gas Lease Sale - December 2, 2014 Final Sale List

The following described lands will be offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Avenue, Helena, Montana, beginning at 9:00 am, December 2, 2014.

Tract Stipulations	Twp Rng	Sec Description	Ac	cres	Bid/Acre Bidder
Jefferson					
1 1, 2, 3, 4, 5, 6, 7	2.N 1.W	1 Lots 1, 2, 3, 4, S2N2, S2	* 63	6.36	
2 1, 2, 3, 4, 5, 6, 7	3.N 1.W	35 All	* 64	0.00	
3 1, 2, 3, 4, 5, 6, 7	3.N 1.W	36 All	* 64	0.00	
Roosevelt					
4 1, 2, 3, 4, 5, 6, 9	29.N 55.E	28 W2NE4	8	0.00	
5 1, 2, 3, 4, 5, 6, 8, 9	30.N 58.E	36 All	64	0.00	
Wheatland					
6 1, 2, 3, 4, 5, 6, 7	6.N 15.E	2 Lots 1 thru 10, 13 thru 20, S2	101	6.08	
7 1, 2, 3, 4, 5, 6	6.N 15.E	16 All	64	0.00	

^{*} Part or all of tract is not state-owned surface

Total Tracts 7

Total Acres 4,292.44

Additional lease stipulations are listed on the following pages. The Stipulations column on the sale list identifies which stipulations will be attached to each tract.

Sight drafts will not be accepted. The State Board of Land Commissioners reserves the right to reject any and all bids. All payments are due within ten days after the date of sale.

Individuals with disabilities may request assistance or special services by calling (406) 444-4576 at least one week prior to the sale.

STATE BOARD OF LAND COMMISSIONERS

State of Montana Oil & Gas Lease Sale - December 2, 2014 Stipulations

- 1 Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
- 2 Prior to the drilling of any well on or into the lease premises, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.

- 3 The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
- 4 The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises.
- 5 The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
- 6 If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
- 7 Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
- 8 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 9 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Trust Land Management Division

STEVE BULLOCK, GOVERNOR

1625 ELEVENTH AVENUE

DIRECTOR'S OFFICE (406) 444-2074 TELEFAX NUMBER (406) 444-2684 PO BOX 201601 HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: March 3, 2015 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the March 2015 Oil and Gas Lease Sale has been set for <u>TUESDAY</u>, <u>MARCH 3, 2015</u>, at 9:00 A.M. in the auditorium of the Department of Transportation building at 2701 Prospect Avenue, Helena, Montana, east of the interstate highway. Please call the Department of Natural Resources and Conservation for detailed directions, if necessary.

The deadline filing date for submitting applications on tracts to be nominated for the sale in March is 5:00pm on <u>December 16, 2014</u>. Applications must be received in this office by that date. If you have any questions, please contact me at <u>jmason2@mt.gov</u> or (406) 444-4576.

Julie Mason, Supervisor Mineral Leasing Section Minerals Management Bureau

O&G Leasing Calendar - 2015

LEASE SALES

	March	June	September	December
Nomination Deadline (5:00pm)	Dec 16	Mar 17	Jun 16	
Preliminary Tract List Mailed & Posted on Web	Dec 18	Mar 19	Jun 18	
Comments Requested by	Jan 23	Apr 24	Jul 24	
Final Tract List Mailed & Posted on Web	Feb 9	May 11	Aug 10	
Lease Sale	Mar 3	Jun 2	Sep 1	TBD
Sale Results Posted on Web	Mar 5	Jun 4	Sep 3	
Land Board Consideration	Mar 16	Jun 15	Sep 14	

TBD - To Be Determined

Sales begin promptly at 9:00a.m. in the Department of Transportation Auditorium, 2701 Prospect Avenue, Helena, Montana.

A description of tracts and maps are available on the DNRC website: http://dnrc.mt.gov/trust/mmb/og